

THE WHITE HOUSE
WASHINGTON

NSC REVIEW
COMPLETED

SECRET

January 15, 1972

MEMORANDUM FOR

THE SECRETARY OF DEFENSE

SUBJECT: Defense Planning for FY 1974-1978

In preparation for his consideration of future budgets, the President has directed a thorough review of the FY 1974-1978 defense planning and its consistency with long-term economic projections.

In particular, the review of the current five year defense plans (FY 1974-1978) should include:

-- The present and projected forces and manpower levels by mission. The missions covered should include both major missions (strategic) and their components (e. g. , strategic offensive, defensive, and command/control).

-- The resources required by year for the overall defense effort and for each mission. These resources shall be described in terms of constant and current prices. Insofar as possible, the relevant modernization and support programs should be identified in detail for each of the major missions considered.

The Department of Defense should be responsible for preparing this evaluation under the general direction of the Defense Program Review Committee.

In addition, the evaluation of the five year defense plan in terms of overall U. S. economic projections shall include:

SECRET

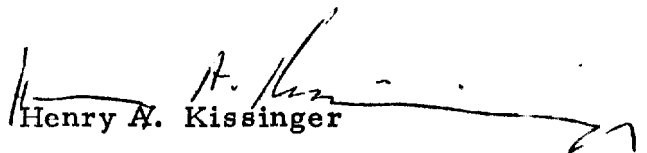
DD/S&T
FILE COPY

-- A projection of government revenues over the period FY 1974-1978.

-- A projection of government expenditures over the same period based on the five year defense plan as well as projections of non-defense expenditures.

The preparation of this evaluation shall be the responsibility of the interested agencies and offices under the direction of the Defense Program Review Committee.

These studies shall be completed by February 1, 1972, prior to review by the DPRC.


Henry A. Kissinger

cc: The Under Secretary of State
The Director, Central Intelligence Agency
The Director, Office of Management and Budget
The Chairman, Council of Economic Advisers
The Chairman, Joint Chiefs of Staff
The Secretary of Treasury

SECRET